

IN THE

CLERK

Supreme Court of the United States

OCTOBER TERM, 1995

WARNER-JENKINSON COMPANY, INC.,
Petitioner,

v.

HILTON DAVIS CHEMICAL CO.,
Respondent.

On Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit

BRIEF *AMICUS CURIAE* OF
GHZ EQUIPMENT COMPANY
IN SUPPORT OF PETITIONER

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QUESTION PRESENTED

Whether patent infringement exists whenever the accused product or process is "equivalent" to the invention claimed in the patent, in that differences are not "substantial" as determined by a jury, even though the accused product is outside the literal scope of the patent claim.

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No. 95-728

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**On Writ Of Certiorari
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**BRIEF *AMICUS CURIAE* OF
GHZ EQUIPMENT COMPANY
IN SUPPORT OF PETITIONER**

INTEREST OF *AMICUS CURIAE*

Pursuant to Rule 37.3 of this Court, GHZ Equipment Company (GEC) respectfully submits this brief *amicus curiae* in support of Petitioner. Written consent to the filing of this brief has been granted by counsel for all parties. Copies of the letters of consent have been lodged with the Clerk of the Court.

ARGUMENT

GEC is an equipment manufacturer and systems integrator that specializes in the development of wireless technology utilizing millimeter wave frequencies for advanced telecommunications applications. The company has been the proponent of several patents and a litigant in a prior controversy arising from the central issue presented by this case. We are thus keenly aware of the danger to innovation posed by a too-liberal construction of the doctrine of equivalents. For this reason, we believe our perspective will complement the brief of Petitioner and assist the Court in the resolution of this case.

SUMMARY OF ARGUMENT

This case involves, not just the esoteric particulars of patent law, but the proper scope of judicial authority under Article I, Section 8 of the Constitution.¹ By adopting an expansive version of the “doctrine of equivalents,” the lower court has supplanted a comprehensive legislative scheme governing the granting and enforcement of patents with a judicially crafted alternative. This outcome conflicts with the patent claiming system established by Congress. The doctrine of equivalents, developed as an equitable exception applicable only in unusual circumstances, should be returned to its former status on the margins of patent law. Otherwise, innovation that Congress intended to foster may well be stifled.

I. THE EXPANSIVE VERSION OF THE DOCTRINE OF EQUIVALENTS ADOPTED BELOW INVADES THE PROVINCE OF CONGRESS

The doctrine of equivalents “derives from the principle that an inventor should be secure in the patent rights granted by the law, even against those who manage to avoid the letter of the invention as it was described or claimed in the patent document.” Pet. App. 35A (Newman, J., concurring). Historically, the doctrine has been applied as a rare, equitable exception in circumstances where a plain-meaning construction of a patent would not otherwise pre-empt an infringer. Thus, the lower court’s ruling that a trial judge “does not have discretion to choose whether to apply the doctrine of equivalents [even] when the record shows no literal infringement,” *id.* at 18A, is an ill-conceived departure from the original rationale for the doctrine. The procedural upshot of the lower court’s position is that “the doctrine of equivalents is a virtually uncontrolled and unreviewable license to juries to find infringement if they so choose.” *Id.* at 55A (Plager, J., dissenting).

This result undermines the regulatory regime established by Congress in the Patent Act of 1952, 35 U.S.C. §§ 101, *et seq.* (the “Act”). The Act protects a patent holder by authorizing an action for infringement if another person makes, uses, or sells a patented product or process without a license. 35 U.S.C. § 271(a). The Act, in turn, protects the public -- and the patent holder’s competitors -- by providing precise notice of the scope of the patent holder’s rights: the patent monopoly extends no further than the patentee’s

¹ “The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. Const. art. I, § 8.

claims.² To ameliorate any unintended consequences of this rule, the Act provides a remedy if a patent holder has inadvertently misstated claims.³ The decision below, by

2 To receive a patent an inventor must submit a specification which "shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." 35 U.S.C. § 112. The inventor must state his claims with particularity, not only to mark the boundaries of his monopoly rights, but also to give the public fair notice of those rights:

From the beginning courts have held that, since the claim is the measure of the monopoly, it must advise the public of its scope, and may not be stated in terms of ends or purposes, for that would extend the monopoly to all contrivances which would accomplish the same results, and these might owe nothing whatever to the patentee.

Royal Typewriter Co. v. Remington Rand Inc., 168 F.2d 691, 693 (2d Cir. 1948) (L. Hand, J.); *see also United Carbon Co. v. Binney Co.*, 317 U.S. 228, 232 (1942) (Brandeis, J.) (patent claims must be stated with particularity to provide fair notice of the scope of the patent holder's monopoly).

3 35 U.S.C. § 251 (1988) ("Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue"). If a patent is reissued, the Act protects the legitimate interests of those who relied upon the original patent. 35 U.S.C. § 252 ("No reissued patent shall abridge or affect the right of any person or his

essentially disregarding the requirement that patent claims "particularly point[] out and distinctly claim[] the subject matter which the applicant regards as his invention" (35 U.S.C. § 112), frustrates the statute's basic scheme. Hence, if broadly applied, the doctrine of equivalents "can eviscerate both the claiming system and the goal of providing notice to the public of the scope of a patent. The doctrine achieves these results by enlarging, in an unpredictable way, the scope of a patent beyond the boundaries claimed by the applicant in her prosecution of her patent before the PTO." Martin J. Adelman & Gary L. Francione, *The Doctrine of Equivalents in Patent Law: Questions that *Pennwalt* Did Not Answer*, 137 U. PA. L. REV. 673, 680 (1989).

The claiming system and notification function embodied in the Act are not trifling details. They embody a balance between private and public rights that Congress deemed imperative in effectuating its "Power . . . To promote the Progress of Science and useful Arts." U.S. Const. art. I, § 8. Congress has conditioned the grant of a patent upon an inventor's careful delineation of the scope of its claimed monopoly. This serves the twin purposes of limiting the reach of the monopoly and warning the public how far it may compete with the patent holder without risking liability for infringement. The court below has replaced this legislative balance of competing interests with the indefensible policy of

successors in business who made, purchased or used prior to the grant of a reissue anything patented by the reissued patent, to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased or used, unless the making, using or selling of such thing infringes a valid claim of the reissued patent which was in the original patent".

protecting patent holders against even marginally colorable instances of infringement.

This case starkly illustrates the problem. Hilton Davis brought an infringement action against Warner-Jenkinson for independently devising an ultrafiltration process that operated at a lower pH range than claimed in its patent. Pet. App. 4A-5A. To obtain its own patent, however, Hilton Davis engaged in the identical conduct that it now asserts is "wrongful" on the part of Warner-Jenkinson: *i.e.*, designing an ultrafiltration process to operate at a different pH range from the range specified in yet another patent for ultrafiltration -- the Booth patent. *See id.* at 4A. Thus, if Warner-Jenkinson is liable for infringement based on the doctrine of equivalents, it follows that Hilton Davis should be liable for infringement to the holder of the Booth patent. In short, infringement here -- if it exists at all -- is merely colorable. But because of the ruling below, even marginal infringement may stand as the basis for a jury award of more than \$3.5 million. *See id.* at 88A (Nies, J., dissenting).

Whether this result can be justified, or is even tolerable, is not the essential point. Congress has enacted a statute that requires would-be patent holders to claim their inventions with particularity. Under our federal system the judiciary lacks constitutional authority to displace this policy in a field where Congress holds plenary authority. "[T]he courts have no right to enlarge a patent beyond the scope of its claim as allowed by the Patent Office . . ." *Keystone Bridge Co. v. Phoenix Iron Co.*, 95 U.S. 274, 278 (1877). "Those associated with the practice of patent law are often admonished to recall that the claims, as distinguished from the rest of the specification, define the 'metes and bounds of the invention.'" Kurt L. Glitzenstein, *A Normative and*

Positive Analysis of the Scope of the Doctrine of Equivalents, 7 Harv. J.L. & Tech. 281, 281 (1994) (quoting *Pennwalt Corp. v. Durand-Wayland, Inc.*, 833 F.2d 931, 946 (Fed. Cir. 1987) (Bennett, J., dissenting in part), *cert. denied*, 485 U.S. 1009 (1988)). The version of the doctrine of equivalents adopted below erroneously disregards this fact.⁴

II. THE DECISION BELOW IMPROPERLY DISREGARDS THE NARROW EQUITABLE CONSTRAINTS ON THE DOCTRINE OF EQUIVALENTS

The judiciary's understandable concern for fundamental fairness undergirds the doctrine of equivalents. In some circumstances, courts have recognized a need to accord patentees broader protection than is provided by the clear

⁴ The majority opinion below also undermines the legislative compromises embodied in the reissue provisions of the 1952 Act. *See* note 3, above. Under the Act, a patent holder may amend or correct a deficient patent, but third parties have intervening rights to make, use, or sell products or services not encompassed within the scope of the original patent. *See* 35 U.S.C. §§ 251, 252 (1988). By making an expansive doctrine of equivalents broadly available as a basis for infringement actions, the Federal Circuit has created a handy means of circumventing the reissue provisions while replacing them with a one-sided policy in favor of the patent holder. Unlike the reissue provisions, the doctrine of equivalents imposes no two-year time limitation and offers no intervening rights. These features make the doctrine of equivalents exceptionally attractive to patent holders. *See* Martin J. Adelman & Gary L. Francione, *The Doctrine of Equivalents in Patent Law: Questions that Pennwalt Did Not Answer*, 137 U. PA. L. REV. 673, 719 (1989). But, as Judge Nies pointed out in dissent, "If we are to persist in an extra-statutory remedy, it should be as fair to *both sides* as that provided in the statute." Pet. App. 104A (Nies, J., dissenting).

terms of their patent claims to insure that inventors are not "at the mercy of verbalism." *Graver Tank & Mfg. Co. v. Linde Air Prod. Co.*, 339 U.S. 605, 607 (1950). In fashioning the rules announced below, however, the Federal Circuit improperly departed from the original understanding behind the doctrine of equivalents. The doctrine is an equitable exception to the straightforward construction of a patent claim. As such, it should be applied only in exceptional circumstances -- and, even then, by a judge, not a jury.

Two opinions written by Judge Learned Hand are instructive in this context. In *Royal Typewriter Co. v. Remington Rand, Inc.*, 168 F.2d 691 (2d Cir. 1948), Judge Hand discussed both the basis for and the inherent limitations of the doctrine of equivalents:

[A]fter all aids to interpretation have been exhausted, and the scope of the claims has been enlarged as far as the words can be stretched, *on proper occasions* courts make them cover more than their meaning will bear. If they applied the law with inexorable rigidity, they would never do this, but would remit the patentee to his remedy of reissue. . . . [A]t times [federal courts] resort to the "doctrine of equivalents" to temper unsparing logic and prevent an infringer from stealing the benefit of the invention. No doubt, this is, strictly speaking, an anomaly; but it is one which courts have frankly faced and accepted almost from the beginning. All patents are entitled to its benefit to an extent, measured on the one hand by their contribution to

the art, and on the other by the degree to which it is necessary to depart from the meaning to reach a just result.

Id. at 692 (emphasis added). *See also Claude Neon Lights, Inc. v. E. Machlett & Son*, 36 F.2d 574, 575 (2d Cir. 1929) ("The doctrine of equivalents, though well settled for many years, is anomalous, if the claim is measured only by its words, and for this reason we once went so far as to say that it means no more than that the language of claims shall be generously construed").

According to Judge Hand, because of the obvious tension between the doctrine of equivalents and the claiming system established by Congress, the doctrine is an "anomaly" applicable only on "proper occasions." 168 F.2d at 692. The doctrine, in short, should be invoked rarely -- *not* (as will hereafter be the case if the decision below is affirmed) "as a second prong to [any] infringement suit, in addition to the statutory cause of literal infringement." Pet. App. 53A (Plager, J., dissenting). Commentators concur. "It is generally agreed that any use of the doctrine of equivalents conflicts with the notion that the claims define the scope of patent protection; given the importance of claims in the patent system, such conflict should be avoided in all but a very few cases." Martin J. Adelman & Gary L. Francione, *The Doctrine of Equivalents in Patent Law: Questions that Pennwalt Did Not Answer*, 137 U. PA. L. REV. 673, 715 (1989) (footnote omitted).

Equally important, Judge Hand assumed that the decision whether to apply the doctrine belonged in the hands of the judge, not the jury. E.g., 168 F.2d at 693-694 (noting that "the dilemma which has led to the very 'doctrine of

equivalents' itself' necessarily involves legal judgments implicating "a question of degree, and courts have differed, and always will differ, as to the allowable latitude in a given instance"). The lower court improperly ceded this vital "question of degree" to a jury. The doctrine of equivalents, precisely because it stands in significant tension with the congressional policy embodied in the patent claiming process (35 U.S.C. § 112), should be applied in the discretion of the trial court. *Accord* Pet. App. 81A (Lourie, J., dissenting) ("I consider that the [doctrine of equivalents] is an equitable remedy for the judge to decide whether to apply, or not to apply, perhaps after the jury has made factual findings as to all the relevant factors which the *Graver* opinion outlines. I believe that this judgment, one of suitability or appropriateness, requires weighing all the relevant factors, given any jury determinations concerning those factors").

III. THE LOWER COURT'S APPROACH THREATENS TO STIFLE INNOVATION

Since the early nineteenth century, Americans have been distinguished by their technological ingenuity.⁵ That collective trait has flourished, at least in part, because innovators could take risks within the relative safety of a stable and predictable framework of law. By holding that the doctrine of equivalents is applicable in virtually every

⁵ See ALEXIS DE TOCQUEVILLE, DEMOCRACY IN AMERICA 460 (J.P. Mayer ed. & George Lawrence trans. 1969) ("In America the purely practical side of science is cultivated admirably, and . . . the Americans always display a clear, free, original, and creative turn of mind").

infringement action, the Federal Circuit has erected a significant barrier to innovation.

The Federal Circuit's decision substantially increases the risks of litigation, particularly among inventors who pursue incremental innovation. The consequent uncertainty surrounding their work has several detrimental effects:

First, uncertainty about the scope of patent protection hinders both patent holders and potential defendants from assessing the possible outcome of litigation or from making other business decisions, such as the direction that research and development efforts should take. Second, a primary purpose of the protection of intellectual property is to encourage the production of inventions, literary works, and the like. Patent law in particular provides a claiming system to put other potential inventors on notice of the precise boundaries of the invention so that they may 'design around' the patent other inventive efforts. The uncertainty generated by the doctrine of equivalents frustrates and chills the activities of these other inventors, who must be concerned about whether their efforts will be met by an infringement suit based on the amorphous doctrine of equivalents. Third, the doctrine permits abusive infringement actions claiming that the defendant infringes under the doctrine of equivalents and that a jury must decide the correctness of the claim. The imperative to settle under these circumstances is almost overpowering. Fourth, due process concerns are potentially raised to the extent that pervasive and systemic uncertainty generated by the doctrine of

equivalents destroys the ability of patent claims to provide fair notice, so that they effectively provide no notice.

Martin J. Adelman & Gary L. Francione, *The Doctrine of Equivalents in Patent Law: Questions that *Penwalt* Did Not Answer*, 137 U. PA. L. REV. 673, 682-83 (1989) (footnotes omitted). The decision below, therefore, will significantly discourage incremental innovation.⁶

6 One may question whether incremental innovation *should* be encouraged. Judge Newman, in a concurring opinion below, concluded that the doctrine of equivalents served a valuable purpose *precisely because* it discouraged incremental innovation.

If minor improvements are likely to be captured by the doctrine of equivalents, this might cause the would-be competitor to move to diverging areas instead of simply tagging along at the periphery of the patentee's claims. On this theory the doctrine of equivalents, like the grant of broad claims, could encourage 'leapfrogging' advances instead of minor improvements and substantial imitation. This would enhance the growth of technology overall, and thus serve the public welfare.

Pet. App. 41A (Newman, J., concurring). We disagree. The conclusion that an economic incentive for "leapfrogging" will foster greater technological originality is based on a misunderstanding of technological growth. Many important advances in technology are not "original" or "pioneering." See, e.g., Devendra Sahal, *PATTERNS OF TECHNOLOGICAL INNOVATION* 37 (1981) ("The results from the investigation of a number of other areas, such as the aluminum production, electricity generation, and synthetic fiber industries point to a substantially similar conclusion: Progress frequently takes the form of several minor innovations") (citations omitted). Moreover, disfavoring incremental advances through an expanded doctrine of equivalents could leave the nation with

Discouraging incremental innovation exacts high social costs. One commentator has concluded that these costs are so high that the doctrine of equivalents should be abandoned altogether:

If the doctrine [of equivalents] is viable, . . . the subsequent inventor in every instance bears the costs of uncertainty, regardless of whether the original inventor elects to claim narrowly in reliance on the doctrine, or as broadly as possible. This observation follows from the fact that when the original inventor becomes the plaintiff in an infringement action, he then has an incentive to exploit the probability that the court will err in his favor, even if he knows that the scope of the literal claims exactly equals the hypothetical limit claim. In view of this, the possibility that some original inventors might bear inefficiently large *ex ante* transactional costs if denied the opportunity in *ex post* litigation to rely on the doctrine of equivalents is almost certainly outweighed by the fact that every subsequent inventor incurs uncertainty costs due to a feared misapplication of the doctrine. The specter of the doctrine of equivalents is therefore likely to cause society as a whole to lose the benefit of the inventive efforts of those who choose to invest in the development of incremental advances over existing art.

the worst of both worlds: patent holders would hold the power effectively to veto all but the most striking advances, while would-be innovators – even innovators who might have made original advances – would be dissuaded from risking their livelihood on the off-chance that they might fail to make a breakthrough discovery.

Kurt L. Glitzenstein, *A Normative and Positive Analysis of the Scope of the Doctrine of Equivalents*, 7 HARV. J.L. & TECH. 281, 331 (1994). To the degree that patent holders win infringement actions based on the doctrine of equivalents, would-be inventors have a substantial disincentive to enter the risky zone of incremental innovation. The patent holder who invokes the doctrine of equivalents wins *only* if the public loses.

This divergence of private and public interests marks a regrettable departure from the original understanding underlying the constitutional grant of patent rights. James Madison concluded that the congressional power to grant patents and copyrights was justifiable because the "public good fully coincides in both cases with the claims of individuals." THE FEDERALIST NO. 43, at 288 (Jacob E. Cooke ed. 1961). In other words, by giving inventors monopoly rights, the public would enjoy the fruits of a vibrantly innovative economy. An expansive version of the doctrine of equivalents, however, severs the connection between private interest and public good by enriching patent rights at the expense of technological improvement. The Court should revise the lower court's construction of the doctrine of equivalents so that private interest and the public good may again coincide.

CONCLUSION

The decision below should be reversed.

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